

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP  
MAY 4, 2011**

**DIRECTORS PRESENT**

Jim Haselton, Committee Chair  
Ed Mandich, Alternate Committee Member

**STAFF PRESENT**

Don Chadd, General Manager  
Hector Ruiz, District Engineer  
Teresa Teichman, District Secretary  
Michael Perea, Special Projects Manager  
Karen Warner, Accounting Technician

**PUBLIC PRESENT**

No members of the public were present.

**CALL MEETING TO ORDER**

Committee Chair Haselton called the May 4, 2011 Finance/Audit Committee Meeting to order at 7:04 a.m.

**VISITOR PARTICIPATION**

Public comments were announced. No comments were received.

**ORAL COMMUNICATION**

Oral communication was announced. No comments were received.

**COMMITTEE MEMBER COMMENTS**

There were no committee member comments

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**REPORT FROM THE GENERAL MANAGER**

Mr. Don Chadd, General Manager, commented on an article in the Orange County Register relating to the possible merger of Orange County Water District and Municipal Water District of Orange County.

Mr. Chadd advised the ceiling mounted projector in the boardroom is malfunctioning and explained an alternate configuration that may work better for board members and audience alike to take into consideration when obtaining quotes for a replacement projector for the board room.

**FINANCIAL MATTERS**

**ITEM NO. 1)            FINANCE/AUDIT COMMITTEE MEETING RECAP**

The April 6, 2011 Finance/Audit Committee Meeting Recap was presented to the Committee. No changes were made.

**Recommendation:**    *The Committee recommended that the April 6, 2011 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar).*

**ITEM NO. 2)            RATIFICATION OF DIRECTORS' FEES AND EXPENSES  
AND FUTURE MEETINGS**

The Committee reviewed this matter.

**Recommendation:**    *The Committee recommended that the Directors' expenses for March/April 2011 and fees for March/April 2011 be forwarded to the Board for ratification. (Action Calendar)*

**ITEM NO. 3)            STATUS UPDATE RELATING TO STORM DAMAGE**

Mr. Chadd advised there is no new information to report.

Mr. Hector Ruiz, District Engineer advised all completed projects have been submitted to FEMA for reimbursement. Mr. Ruiz advised the Tick Creek Pump Station is the project currently being worked on.

**Recommendation:**    *The Committee received and filed the status update. No action necessary.*

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**ITEM NO. 4)            DISCUSSION RELATING TO FEES FOR NON-PROFIT  
MONTHLY FACILITY USERS**

Mr. Chadd provided background as to the original intent and use of TCWD's boardroom for usage at no charge for non-profit organizations within TCWD's boundaries.

Mrs. Teresa Teichman, Assistant to the General Manager, advised the committee as to the number of organizations which use the facility each month and associated costs to the district over the last three year period. Mrs. Teichman also provided information as to what a comparable room rental in the area would cost. Discussion occurred.

Director Mandich asked that staff provide a few options for the Board to consider as to a monetary offset.

**Recommendation:**    *The Committee forwarded this information to the Board. (Action Calendar).*

**ITEM NO. 5)            OTHER MATTERS**

Mr. Chadd advised he and staff met with representatives from the Bank of New York (BNY) last week. Discussion occurred relating to re-opening the residual account, flow of funds, collection of special taxes, and the Rate and Method Analysis.

Mr. Chadd advised the committee of the notice received from the IRS relating to a past filing deadline. Mr. Chadd advised the committee TCWD will pay the fine prior to the May 12, 2012 deadline and follow up with TCWD's contract accountant and treasurer to be made whole.

Mr. Chadd discussed the Portola Hills zone water rate charge to TCWD from IRWD compared to revenues collected by TCWD from Portola Hills customers.

Mr. Chadd advised he was contacted by the Schwindeman family as it relates to the U.S. Well. Mr. Chadd advised Mr. Ruiz is in contact with the family regarding this matter.

**Recommendation:**    *The Committee received the information. No action necessary.*

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**ITEM NO. 6A)      PRESENTATION OF MARCH 2011 UNAUDITED FINANCIAL STATEMENT**

Mr. Chadd reviewed the March 31, 2011 preliminary unaudited financial statement with the committee. Mr. Chadd noted water operating expenses increased due to a timing issue, two

payments were made to the Santiago Aqueduct Commission within this timeframe which reflected an overall increase of the water operating expenses for March, 2011.

**Recommendation:**      *The Committee recommended that the Board receive and file the March 31, 2011 preliminary unaudited financial statement, as presented. (Consent Calendar).*

**ITEM NO. 6B)      BILLS FOR CONSIDERATION**

The bills for consideration were presented.

**Recommendation:**      *The Committee recommended that the Board ratify payment of April 19, 2011 bills for consideration in the amount of \$101,188.22 and the May 4, 2011 bills for consideration in the amount of \$331,222.62 and the April 2011 payroll in the amount of \$153,624.46, as presented. (Consent Calendar).*

**ADJOURNMENT**

Committee Chair Haselton adjourned the May 4, 2011 Finance/Audit Committee Meeting at 7:50 a.m.